

# WTO and TRADE FACILITAION AGREEMENT

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## CONTENT

3 Parts:

1. The WTO and trade facilitation
2. The introduction of Trade Facilitation Agreement (TFA)
3. The results of classification of Category A in TFA



## Part 1: The WTO and trade facilitation

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WORLD TRADE ORGANIZATION  
ORGANISATION MONDIALE DU COMMERCE  
ORGANIZACIÓN MUNDIAL DEL COMERCIO

Be international  
organization adjusting  
trade principles  
amongst country  
Members.



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## Trade Facilitation in the WTO

- ☛ TF negotiations started since 2004
- ☛ Negotiation Group on Trade Facilitation (NGTF)
- ☛ Trade Facilitation Agreement in the WTO





## Trade Facilitation in the WTO

### Targets:

- **Trade facilitation - to ensure the balance between facilitation & legal compliance**
- **To accelerate transportation and clearance of goods**
- **To promote cooperation between customs authorities and other bodies**
- **To improve technical assistance and capacity building**

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## TF measures

### Transparency and rights of businesses

- Publication/Information available through internet
- Enquiry points on trade information
- Time between publication and entry into force
- Opportunity to comment
- Advance rulings
- Right to appeal or review

### Transit

- Limitations on fees and charges
- Non-discrimination
- Customs duties exemptions
- Use of guarantee

### Procedures, fees and charges imposed on or in connection with importation/ exportation and transit

- Disciplines on Fees and Charges
- Pre-arrival Processing
- Risk Management
- Post-Clearance Audit
- Establishment and Publication of Average Release Time
- Authorized Operators
- Border Agency Cooperation
- Formalities and Documentation Requirements
- Single Window
- Abolishment the use of PSI
- Separation between release and clearance of goods

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## Part 2: The introduction of TFA



## Trade Facilitation Agreement



### ➤ Structure

- **Part I: 12 articles on technical measures**
- **Part II: SDT (provisions for developing countries)**





## Part I of TFA

### Art 1: Publication and Information available through internet

- Publication
- Information available through internet
- Enquiry Points
- Notification

### Art 2: Opportunity to comment and Information before entry into force and consultations

- Opportunity to comment and Information before entry into force
- Consultations

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## Part I of TFA

### • Art 3: Advance Rulings

#### – Scope:

- Classification of goods
- Origin of goods
- Customs valuation methods
- Exemption or reduction of customs duties
- Tariff quotas
- Other issues

#### – Duration and entry into force

- Duration for implementation
- Entry into force

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## Part I of TFA

- Art 4: Procedures for Appeal or Review
  - Procedures for Appeal or Review
- Art 5: Other measures to enhance the impartiality, non-discrimination and transparency
  - Notifications for enhanced controls or inspections
  - Detention
  - Test Procedures

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## Part I of TFA

- Art 6: Disciplines on Fees and Charges
  - General Disciplines on fees and charges imposed on or in connection with importation and exportation
    - Publication before application
    - Periodic review
  - Specific disciplines on fees and charges imposed on or in connection with importation and exportation
    - Service charges
  - Penalty Disciplines

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## Part I of TFA

- Art 7: Release and Clearance of Goods
  - Pre-arrival Processing
    - Fast clearance
    - E-document
  - Electronic Payment
  - Separation of Release from Final Determination of Customs Duties, Taxes, Fees and Charges
  - Risk Management
    - concentrate customs control on high risk consignments
    - expedite the release of low risk consignment



## Part I of TFA

- Art 7: Release and Clearance of Goods
  - Post-clearance Audit
    - Assessment of businesses' law compliance
  - Establishment and Publication of Average Release Times
    - WCO Release Time Measurement
  - Trade Facilitation Measures for Authorized Operators
    - Conditions for authorized operators
    - Prioritized measures





## Part I of TFA

- Art 7: Release and Clearance of Goods
  - Expedited Shipments
    - Advance submission of information
    - Prioritized expedited release
    - Good compliance with customs laws
  - Perishable Goods
    - Prioritized customs procedures: advance inspection
    - Goods release beyond office hours

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## Part I of TFA

- Art 8: Border agency cooperation
  - Within member state :
    - + cooperation and coordination
  - Among members:
    - Unification of working hours
      - + Unification of procedures
      - + Building and sharing joined infrastructure
      - + Joined inspection
      - + Setting up one-stop inspection location

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## Part I of TFA

- Art 9: Movement of goods under customs control intended for import
  - Procedures that allow movement from a customs office to another customs office
- Art 10: Formalities connected with importation and exportation and transit
  - Formalities and Documentation Requirements
  - Acceptance of Copies
  - Use of International Standards
  - Single Window
  - Pre-shipment Inspection



## Part I of TFA

- Art 10: Formalities connected with importation and exportation and transit (cont.)
  - Use of Customs Brokers
  - Common Border Procedures and Uniform Documentation Requirements
  - Rejected Goods
  - Temporary Admission of Goods/Inward and Outward Processing



## Part I of TFA

- Art 11: Freedom of transit
- Art 12: Customs cooperation

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## Part II of TFA

1. General Principles
2. Categories of provision
3. Notification and Implementation of Category A
4. Notification of Category B and Category C
5. Early Warning Mechanism
6. Implementation of classification of Category B and Category C

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## Part II of TFA

7. Shifting between Categories B and C

8. Grace Period for Dispute Settlement

9. Provision of Assistance for Capacity Building




10. Information on Assistance to be Submitted to the Committee

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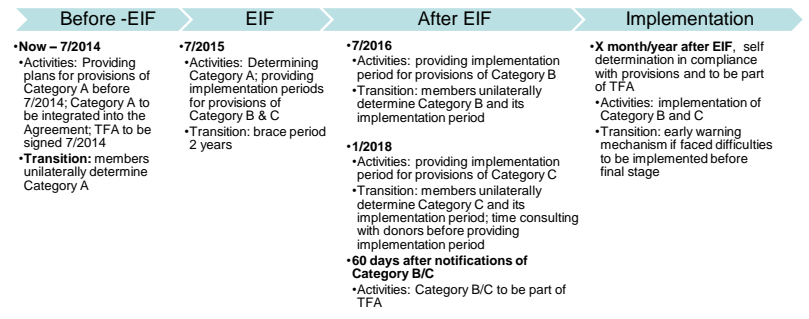


## Part 3: The results of classification of Category A in TFA

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	Benefits for exporters	Benefits for government
Transparency +Fairness 	<ul style="list-style-type: none"> <li>• Predictable</li> <li>• Reduced time / cost</li> </ul>	<ul style="list-style-type: none"> <li>• Better compliance</li> <li>• Higher quality decisions</li> </ul>
Good management 	<ul style="list-style-type: none"> <li>• Reduced cost</li> <li>• Less delays</li> <li>• Less complicated</li> </ul>	<ul style="list-style-type: none"> <li>• Better compliance f</li> <li>• More effective management</li> <li>• More comprehensive management</li> </ul>
Modernization 	<ul style="list-style-type: none"> <li>• Reduced clearance's time and cost</li> </ul>	<ul style="list-style-type: none"> <li>• Consistent with modern business practice</li> <li>• More effective management</li> <li>• More comprehensive management</li> </ul>

## WTO TF PLAN



*Note: Above timelines are for developing member countries. Those for LDCs could be longer if a LDC may need additional time period.*

## Classification of each measure

Each developing country or LDC country will classify each measure in accordant with its ability for implementation:

- Category A: as soon as the Agreement enters into force (notification to WTO on 31/7/2014)
- Category B: entry into force PLUS (X) time (member to set)
- Category C: after TACB



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## Next steps

Preparatory Committee established (chaired by the Philippines)

Legal scrubbing – being implemented

Draft Protocol Amending the Marrakesh Agreement establishing the WTO – being implemented

Submission of Category A - ASAP

Classification of Category B and C

## TA for TFA

- WTO: Forum for donors;  
Source of experts took part in negotiations, TF experts;
- WCO: Workshop on Source of experts took part in negotiations, TF experts
  - Developing performance indicators;
  - WCO phases for TFA implementation.
  - Analysis of measures to facilitate trade in Part I based on the WTO TF tools and potential consequences for the WCO
  - TOR and working plan for working group on TFA;

## TA for TFA

- UNTAD, OECD, WB: Workshop on Source of experts took part in negotiations, TF experts
- Other donors: Developed countries – Financial assistance.

### 3. Self assessment

#### Results:

- ✓ Fully comply: 27 commitments accounting for 60%
- ✓ Substantially comply: 11 commitments accounting for 24%
- ✓ Partially comply: 5 commitments accounting for 11%
- ✓ No: 1 commitments accounting for 2%
- ✓ Not applicable: 0 commitment

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### Results of classification

In total of 41 measures:

- Category A: 15 measures accounting for 38%

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[www.wto.org](http://www.wto.org)  
[www.customs.gov.vn](http://www.customs.gov.vn)

THANK YOU